

# New report confirms Germany's deep-seated inequality

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Last Wednesday, the German government presented its "Germany Atlas." The report confirms that despite economic growth, social and economic inequality is deep seated in the country.

The study "Unequal Germany" from May 2019, presented by the SPD-affiliated Friedrich Ebert Foundation (FES), had already made clear that a large proportion of the German population live in regions with severe structural problems. In such regions the incomes of private households are low, municipalities are heavily in debt, the numbers of welfare recipients and low-income earners is increasing, together with poverty amongst seniors. Many rural areas lack access to public transport, doctors, hospitals and the Internet.

Upon taking office, the grand coalition (a coalition of the Christian Democratic Union, CDU, Christian Social Union, CSU, and Social Democratic Party, SPD), promised to establish "equal living conditions as far as possible in all parts of Germany." To this end, it launched a commission a year ago and has now published the "Germany Atlas," which looks at 56 benchmarks of equality. The report was presented to the press by federal Interior Minister Horst Seehofer (CSU), Minister of Agriculture Julia Klöckner (CDU) and Family Minister Franziska Giffey (SPD). As the maps show, Germany is further removed from "equal living conditions" than ever.

The findings of the "Germany Atlas" reveal deep and consolidated divisions, above all between West and East Germany, but also between southern (Bavaria and Baden-Württemberg) and northern Germany. Social divisions are especially pronounced in cities with a higher level of economic development.

An examination of the "Disposable income of private households" finds the East-West split particularly clear: all six states in former East Germany (GDR), with the exception of the city of Berlin, are located in the lowest range nationwide, i.e., with average incomes of less than

€20,000 annually.

In West Germany, this applies only to a narrow northwestern border region around Leer and Bremerhaven, a part of Saarland and parts of the Ruhr area, while Bavaria, Baden-Württemberg, the Rhine-Main area and Hamburg register significantly higher average incomes.

The states in the former GDR show appallingly low rates in terms of gross domestic product per capita, the relative proportion of children, average growth rate (negative), increase in working volume (also negative) and broadband coverage. The population density is also relatively low. By contrast, these states have a concentration of senior citizens, school leavers without a proper qualification, and many vacant apartments.

It is clear that the "new federal states" of the former GDR are still suffering from the effects of capitalist restoration 30 years ago. Millions of jobs were destroyed when the GDR's nationalised industry was privatised and closed down in order to profit Western companies.

In West German metropolitan regions, social polarisation continues to increase. Particularly low incomes (less than €18,000) are the norm in Gelsenkirchen, Duisburg, Bremerhaven, Offenbach am Main, Halle an der Saale, Frankfurt-Oder, Leipzig and Rostock.

The "Minimum social security" benchmark reveals persistent high levels of poverty. In Germany, 7.59 million people or 9.2 percent of the population receive assistance in the form of Hartz IV, social allowance or basic security payments. The average is particularly high in eastern German states (11.4 percent), compared to western Germany (8.6 percent). Over 18 percent of the population are dependent on welfare in several Ruhr cities, as well as in Bremen, Hamburg and Berlin.

The Atlas "Mini-Jobbers" yardstick provides information about where many people live who are

employed in part-time jobs and earning a maximum of €450 per month. Kiel, the Bremen-Bremerhaven region to Delmenhorst, the north-western coastal region around Leer, the Ruhr area from Duisburg to Dortmund and beyond, as well as the western border region from Trier to Saarburg are the areas most affected. In these regions between 15 to 21 percent “are employed part time.”

An examination of “Basic security for seniors” indicates the extent of poverty among seniors in Germany. Basic security payments are in principle available to all senior citizens who do not have enough income to live on, but not all those eligible receive payments.

“Basic security in old age” was paid to about 544,000 persons (December 2017), i.e., over half a million or 3.1 percent of over 65s. Above average numbers of such citizens live in North Rhine-Westphalia, in parts of Lower Saxony and Hesse and in the Saarland, as well as in the city states of Berlin, Hamburg and Bremen. The highest proportion in this category, over 8 percent, reside in Frankfurt am Main and Offenbach.

By contrast, significantly fewer people in Eastern Germany receive “basic old-age security,” although many more may be eligible. Poverty amongst seniors has risen from 11 to 15 percent during the past 10 years, as a result of low-paid work, long-term unemployment and the raising of the retirement age to 67. For eastern Germany in particular, several studies predict that poverty in old-age will rise to over 20 percent. There are apparently an above average number of seniors who do not apply for basic security payments. The admission by the government that only 3 percent in all of Germany and just 1 percent in the East receive “basic security” is a devastating indictment of the government’s social policy.

The “Germany Atlas” offers a wealth of empirical material that is neither interpreted nor substantiated. Nothing is said about the causes of social division. In fact, social conditions today are primarily the result of the policies introduced by the SPD-Green government led by Gerhard Schröder (SPD) and Joschka Fischer (Greens). Beginning in 2000, the Schröder-Fischer government commenced a social counterrevolution with its “Agenda 2010,” “Hartz IV,” “Riester pension” and the introduction of taxes and deductions on pensions.

The huge gulf between the rich and poor is not dealt with in the “Germany Atlas.” In Germany, 36 individuals have as much wealth as the entire poorer half of the population, i.e., around 40 million people. This has been confirmed by numerous studies in recent months. These include, for example, the Oxfam study, several poverty

reports by the Joint Welfare Association and the FES study “Unequal Germany.”

The German government has no intention of closing or even reducing the gap between rich and poor. Its official goal is merely to identify and upgrade “structurally weak regions.” Its “Germany Atlas” only hints at the glaring discrepancies between rich and poor.

The government fears that such extreme social polarisation could provoke a social uprising. “We need a more active state again,” Interior Minister Seehofer told the *Süddeutsche Zeitung* on July 10.

To the question: “What dangers threaten if this gap is not overcome?” Seehofer replied: “Many citizens feel left behind. That promotes radical forces who promise people paradise on earth.” When asked, “Are you afraid of protests like the yellow vests in France?” he replied: “If you do not respond in time, then you cannot exclude something similar here in Germany.”

Seehofer described the task of linking structurally weak regions as “the biggest project towards unifying Germany.” He made no mention, however, of where the money for such a project should come from. “We will need patience,” he stressed.

“I’m not announcing any tax increases today,” Seehofer added, making clear that the project will not be at the expense of the rich and the privileged. Instead, he announced the creation of a new Foundation for Engagement and Volunteer Work, shifting the burden of social problems onto unpaid volunteers.

The pronouncements by the Interior Minister should be regarded as a threat. The grand coalition is already spending tens of billions of euros to modernise the German army to carry out missions abroad. The cost of this is to be borne by the working population, while tens of thousands of jobs are being slashed in industry and the banking sector. At the same time, refugees are being arrested and deported.

In order to prepare for future social unrest the powers of the police and intelligence agencies are being expanded and upgraded, i.e., the very same state forces linked to the violent, far-right network which claimed conservative politician Walter Lübcke as its most recent victim.



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